

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

July 23, 2003

In Reply Refer To:
PJM Interconnection, L.L.C.
Docket No. EL01-63-004

Wright & Talisman, P.C.
Attn: Paul M. Flynn,
Counsel for PJM Interconnection, L.L.C.
1200 G Street, N.W., Suite 600
Washington, D.C. 20005

Dear Mr. Flynn:

1. On May 31, 2002, you filed, on behalf of PJM Interconnection, L.L.C. (PJM), a report re-supporting the seasonal capacity commitment (PJM Report). The PJM Report was submitted in response to the Commission's June 1, 2001 order (June 1 Order) in this proceeding.¹ The June 1 Order required PJM to file a report no later than June 1, 2002, "re-supporting the seasonal capacity commitment, or proposing a new capacity methodology."²

2. On July 3, 2002, PPL Electric Utilities Corporation and PPL EnergyPlus, LLC (collectively PPL Parties) filed a response to the compliance filing. PPL Parties state that PJM did not submit the long-term filing solution that the Commission urged in the June 1 Order.³ Further, PPL Parties state that PJM has not addressed adequately the multiple concerns that were raised in protests to its original filing using the year of operational experience it now has with the interim capacity commitment system. PPL Parties also request that the Commission direct PJM to develop and submit to the Commission an acceptable approach to replace the current flawed system within the next six months.

¹ PJM Interconnection, L.L.C., 95 FERC ¶ 61,330, reh'g denied, 96 FERC ¶ 61,206 (2001).

² Id. at 62,179.

³ See Id.

3. On July 18, 2002, Joint Consumer Representatives⁴ filed an intervention, comments and answer to PPL Parties' response to the PJM Report. Joint Consumer Representatives support PJM, given that there is not yet a reasonable alternative developed through a consensus stakeholder process. Further, Joint Consumer Representatives state that the PPL Parties' response was fraught with misinterpretations.

4. The Commission finds that the issues raised in this proceeding are now moot due to our acceptance of the "unforced capacity" approach for the entire PJM region in PJM Interconnection, L.L.C., 103 FERC ¶ 61,250 (2003). PJM is currently using the unforced capacity approach as a long-term reliability solution for the entire PJM region. Accordingly, the Commission will accept the PJM Report for informational purposes.

By direction of the Commission.

Magalie R. Salas,
Secretary.

⁴Joint Consumer Representatives consists of the Pennsylvania Office of Consumer Advocate, Maryland Office of the Peoples' Counsel, Delaware Public Advocate Office, New Jersey Division of Ratepayer Advocate, the Office of People's Counsel for the District of Columbia, and the PJM Industrial Customer Coalition.